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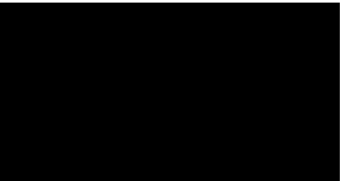
Business Real Estate Corporation

February 14, 1951

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Mr.

A.



*Name check 1/11/51  
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OGC HAS REVIEWED.

The disposal of foreign excess property is governed by  
41 U.S.C.A. Sections 271-274.

Section 271 provides that "each executive agency  
having foreign excess property shall be responsible for the  
disposal thereof. . ."

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Section 272 provides for methods and terms of disposal:-

"Foreign excess property may be disposed of  
(a) by sale, exchange, lease, or transfer, for cash,  
credit, or other property, with or without warranty,  
and upon such other terms and conditions as the head  
of the executive agency concerned deems proper; but  
in no event shall any property be sold without a  
condition forbidding its importation into the  
United States, unless the Secretary of Agriculture  
(in the case of any agricultural commodity, food,  
or cotton or woolen goods) or the Secretary of  
Commerce (in the case of any other property) determines  
that the importation of such property would relieve  
domestic shortages or otherwise be beneficial to the  
economy of this country, or (b) for foreign currencies  
or credits, or substantial benefits or the discharge  
of claims resulting from the compromise or settlement  
of such claims by any executive agency in accordance  
with the law, whenever the head of the executive agency  
concerned determines that it is in the interest of the  
United States to do so. Such property may be disposed  
of without advertising when the head of the executive  
agency concerned finds so doing to be most practicable  
and to be advantageous to the Government. The head of  
each executive agency responsible for the disposal of  
foreign excess property may execute such documents for  
the transfer of title or other interest in property and  
take such other action as he deems necessary or proper  
to dispose of such property; and may authorize the  
abandonment, destruction, or donation of foreign excess  
property under his control which has no commercial value  
or the estimated cost of care and handling of which  
would exceed the estimated proceeds from its sale.  
June 30, 1949, c. 288, Title IV, Sec. 402, 63 Stat. 398."

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The Regulations [REDACTED] set forth the disposal policies of the Government. The price criterion is the fair value of the surplus property at the time of its disposition. There are no provisions requiring the publishing of bids.

Although the Office of the Foreign Liquidation Commissioner may establish any other order of priorities among persons other than Government agencies, the Regulations set up priorities as follows:-

- 1) Government Agencies
- 2) Veterans
- 3) Non-Profit Institutions,  
for use in foreign areas
- 4) American Manufacturers or Distributors
- 5) Foreign Governments,  
for the areas in which the  
surplus property is located.

A. R. L.

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cross reference; *574 Property Regulations*